

THE SUDAN PEACE ACT

MARKUP
BEFORE THE
SUBCOMMITTEE ON AFRICA
OF THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

ON

H.R. 931

MAY 16, 2001

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CONTENTS

	Page
Markup of H.R. 931, To facilitate famine relief efforts and a comprehensive solution to the war in Sudan	1
H.R. 931	2
Amendments to H.R. 931 offered by the Honorable Thomas G. Tancredo, a Representative in Congress from the State of Colorado	15, 17
Amendment to H.R. 931 offered by the Honorable Donald M. Payne, a Representative in Congress from the State of New Jersey	19

THE SUDAN PEACE ACT

WEDNESDAY, MAY 16, 2001

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AFRICA,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 2:05 p.m. in Room 2172, Rayburn House Office Building, Hon. Edward R. Royce [Chairman of the Subcommittee] presiding.

Mr. ROYCE. We will call this markup here to order, and pursuant to the notice, I would like to now call up H.R. 931 for purposes of this markup, and without objection the bill will be considered as read and open for amendment at any point.

[The bill, H.R. 931, follows:]

107TH CONGRESS
1ST SESSION

H. R. 931

To facilitate famine relief efforts and a comprehensive solution to the war
in Sudan.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2001

Mr. TANCREDO (for himself, Mr. PAYNE, Mr. LANTOS, Mr. WOLF, Mr. WATTS of Oklahoma, Mr. PITTS, Mr. CAMP, Mr. Evans, Mr. WELDON of Florida, Ms. PELOSI, Mr. McNULTY, Mr. WHITFIELD, Mr. LEWIS of Kentucky, Ms. RIVERS, Mr. BISHOP, Mrs. TAUSCHER, Mr. KUCINICH, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. DOOLITTLE, Mr. LAMPSON, Mr. UPTON, Mr. HEFLEY, and Mr. CLEMENT) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To facilitate famine relief efforts and a comprehensive
solution to the war in Sudan.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Sudan Peace Act".

5 **SEC. 2. FINDINGS.**

6 Congress makes the following findings:

7 (1) The Government of Sudan has intensified
8 its prosecution of the war against areas outside of

1 its control, which has already cost more than
2 2,000,000 lives and has displaced more than
3 4,000,000.

4 (2) A viable, comprehensive, and internationally
5 sponsored peace process, protected from manipula-
6 tion, presents the best chance for a permanent reso-
7 lution of the war, protection of human rights, and
8 a self-sustaining Sudan.

9 (3) Continued strengthening and reform of hu-
10 manitarian relief operations in Sudan is an essential
11 element in the effort to bring an end to the war.

12 (4) Continued leadership by the United States
13 is critical.

14 (5) Regardless of the future political status of
15 the areas of Sudan outside of the control of the Gov-
16 ernment of Sudan, the absence of credible civil au-
17 thority and institutions is a major impediment to
18 achieving self-sustenance by the Sudanese people
19 and to meaningful progress toward a viable peace
20 process.

21 (6) Through manipulation of traditional rival-
22 ries among peoples in areas outside their full con-
23 trol, the Government of Sudan has effectively used
24 divide and conquer techniques to subjugate their
25 population, and internationally sponsored reconcili-

1 ation efforts have played a critical role in reducing
2 the tactic's effectiveness and human suffering.

3 (7) The Government of Sudan is utilizing and
4 organizing militias, Popular Defense Forces, and
5 other irregular units for raiding and slaving parties
6 in areas outside of the control of the Government of
7 Sudan in an effort to severely disrupt the ability of
8 those populations to sustain themselves. The tactic
9 is in addition to the overt use of bans on air trans-
10 port relief flights in prosecuting the war through se-
11 lective starvation and is used to minimize the Gov-
12 ernment of Sudan's accountability internationally.

13 (8) The Government of Sudan has repeatedly
14 stated that it intends to use the expected proceeds
15 from future oil sales to increase the tempo and
16 lethality of the war against the areas outside its con-
17 trol.

18 (9) Through its power to veto plans for air
19 transport flights under the United Nations relief op-
20 eration, Operation Lifeline Sudan (OLS), the Gov-
21 ernment of Sudan has been able to manipulate the
22 receipt of food aid by the Sudanese people from the
23 United States and other donor countries as a dev-
24 astating weapon of war in the ongoing effort by the

1 Government of Sudan to subdue areas of Sudan out-
2 side of the Government's control.

3 (10) The efforts of the United States and other
4 donors in delivering relief and assistance through
5 means outside OLS have played a critical role in ad-
6 dressing the deficiencies in OLS and offset the Gov-
7 ernment of Sudan's manipulation of food donations
8 to advantage in the civil war in Sudan.

9 (11) While the immediate needs of selected
10 areas in Sudan facing starvation have been ad-
11 dressed in the near term, the population in areas of
12 Sudan outside of the control of the Government of
13 Sudan are still in danger of extreme disruption of
14 their ability to sustain themselves.

15 (12) The Nuba Mountains and many areas in
16 Bahr al Ghazal, the Upper Nile, and the Blue Nile
17 regions have been excluded completely from relief
18 distribution by OLS, consequently placing their pop-
19 ulations at increased risk of famine.

20 (13) At a cost which has sometimes exceeded
21 \$1,000,000 per day, and with a primary focus on
22 providing only for the immediate food needs of the
23 recipients, the current international relief operations
24 are neither sustainable nor desirable in the long
25 term.

1 (14) The ability of populations to defend them-
2 selves against attack in areas outside the Govern-
3 ment of Sudan's control has been severely com-
4 promised by the disengagement of the front-line
5 sponsor states, fostering the belief within officials of
6 the Government of Sudan that success on the battle-
7 field can be achieved.

8 (15) The United States should use all means of
9 pressure available to facilitate a comprehensive solu-
10 tion to the war in Sudan, including—

11 (A) the multilateralization of economic and
12 diplomatic tools to compel the Government of
13 Sudan to enter into a good faith peace process;

14 (B) the support or creation of viable demo-
15 cratic civil authority and institutions in areas of
16 Sudan outside government control;

17 (C) continued active support of people-to-
18 people reconciliation mechanisms and efforts in
19 areas outside of government control;

20 (D) the strengthening of the mechanisms
21 to provide humanitarian relief to those areas;
22 and

23 (E) cooperation among the trading part-
24 ners of the United States and within multilat-
25 eral institutions toward those ends.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) **GOVERNMENT OF SUDAN.**—The term “Gov-
4 ernment of Sudan” means the National Islamic
5 Front government in Khartoum, Sudan.

6 (2) **OLS.**—The term “OLS” means the United
7 Nations relief operation carried out by UNICEF, the
8 World Food Program, and participating relief orga-
9 nizations known as “Operation Lifeline Sudan”.

10 **SEC. 4. CONDEMNATION OF SLAVERY, OTHER HUMAN**
11 **RIGHTS ABUSES, AND TACTICS OF THE GOV-**
12 **ERNMENT OF SUDAN.**

13 Congress hereby—

14 (1) condemns—

15 (A) violations of human rights on all sides
16 of the conflict in Sudan;

17 (B) the Government of Sudan’s overall
18 human rights record, with regard to both the
19 prosecution of the war and the denial of basic
20 human and political rights to all Sudanese;

21 (C) the ongoing slave trade in Sudan and
22 the role of the Government of Sudan in abet-
23 ting and tolerating the practice;

24 (D) the Government of Sudan’s use and
25 organization of “murahalliin” or
26 “mujahadeen”, Popular Defense Forces (PDF),

1 and regular Sudanese Army units into orga-
2 nized and coordinated raiding and slaving par-
3 ties in Bahr al Ghazal, the Nuba Mountains,
4 the Upper Nile, and the Blue Nile regions; and
5 (E) aerial bombardment of civilian targets
6 that is sponsored by the Government of Sudan;
7 and

8 (2) recognizes that, along with selective bans on
9 air transport relief flights by the Government of
10 Sudan, the use of raiding and slaving parties is a
11 tool for creating food shortages and is used as a sys-
12 tematic means to destroy the societies, culture, and
13 economies of the Dinka, Nuer, and Nuba peoples in
14 a policy of low-intensity ethnic cleansing.

15 **SEC. 5. SUPPORT FOR AN INTERNATIONALLY SANCTIONED**
16 **PEACE PROCESS.**

17 (a) FINDINGS.—Congress hereby recognizes that—

18 (1) a single viable, internationally and region-
19 ally sanctioned peace process holds the greatest op-
20 portunity to promote a negotiated, peaceful settle-
21 ment to the war in Sudan; and

22 (2) resolution to the conflict in Sudan is best
23 made through a peace process based on the Declara-
24 tion of Principles reached in Nairobi, Kenya, on July
25 20, 1994.

1 (b) UNITED STATES DIPLOMATIC SUPPORT.—The
2 Secretary of State is authorized to utilize the personnel
3 of the Department of State for the support of—

4 (1) the ongoing negotiations between the Gov-
5 ernment of Sudan and opposition forces;

6 (2) any necessary peace settlement planning or
7 implementation; and

8 (3) other United States diplomatic efforts sup-
9 porting a peace process in Sudan.

10 **SEC. 6. MULTILATERAL PRESSURE ON COMBATANTS.**

11 It is the sense of Congress that—

12 (1) the United Nations should be used as a tool
13 to facilitating peace and recovery in Sudan; and

14 (2) the President, acting through the United
15 States Permanent Representative to the United Na-
16 tions, should seek to—

17 (A) revise the terms of Operation Lifeline
18 Sudan to end the veto power of the Government
19 of Sudan over the plans by Operation Lifeline
20 Sudan for air transport of relief flights and, by
21 doing so, to end the manipulation of the deliv-
22 ery of those relief supplies to the advantage of
23 the Government of Sudan on the battlefield;

1 (B) investigate the practice of slavery in
2 Sudan and provide mechanisms for its elimi-
3 nation; and

4 (C) sponsor a condemnation of the Govern-
5 ment of Sudan each time it subjects civilians to
6 aerial bombardment.

7 **SEC. 7. REPORTING REQUIREMENT.**

8 Section 116 of the Foreign Assistance Act of 1961
9 (22 U.S.C. 2151n) is amended by adding at the end the
10 following:

11 “(g) In addition to the requirements of subsections
12 (d) and (f), the report required by subsection (d) shall
13 include—

14 “(1) a description of the sources and current
15 status of Sudan’s financing and construction of oil
16 exploitation infrastructure and pipelines, the effects
17 on the inhabitants of the oil fields regions of such
18 financing and construction, and the Government of
19 Sudan’s ability to finance the war in Sudan;

20 “(2) a description of the extent to which that
21 financing was secured in the United States or with
22 involvement of United States citizens;

23 “(3) the best estimates of the extent of aerial
24 bombardment by the Government of Sudan forces in

1 areas outside its control, including targets, fre-
2 quency, and best estimates of damage; and

3 “(4) a description of the extent to which hu-
4 manitarian relief has been obstructed or manipu-
5 lated by the Government of Sudan or other forces
6 for the purposes of the war in Sudan.”.

7 **SEC. 8. CONTINUED USE OF NON-OLS ORGANIZATIONS FOR**
8 **RELIEF EFFORTS.**

9 (a) SENSE OF CONGRESS.—It is the sense of Con-
10 gress that the President should continue to increase the
11 use of non-OLS agencies in the distribution of relief sup-
12 plies in southern Sudan.

13 (b) REPORT.—Not later than 90 days after the date
14 of enactment of this Act, the President shall submit a de-
15 tailed report to Congress describing the progress made to-
16 ward carrying out subsection (a).

17 **SEC. 9. CONTINGENCY PLAN FOR ANY BAN ON AIR TRANS-**
18 **PORT RELIEF FLIGHTS.**

19 (a) PLAN.—The President shall develop a contin-
20 gency plan to provide, outside United Nations auspices if
21 necessary, the greatest possible amount of United States
22 Government and privately donated relief to all affected
23 areas in Sudan, including the Nuba Mountains and the
24 Upper Nile and the Blue Nile regions, in the event the

1 Government of Sudan imposes a total, partial, or incre-
2 mental ban on OLS air transport relief flights.

3 (b) REPROGRAMMING AUTHORITY.—Notwith-
4 standing any other provision of law, in carrying out the
5 plan developed under subsection (a), the President may
6 reprogram up to 100 percent of the funds available for
7 support of OLS operations (but for this subsection) for
8 the purposes of the plan.

○

Mr. ROYCE. The Sudan Peace Act was introduced by Congressman Tancredo with the strong support of the Ranking Member Donald Payne. The tragedy that has played out in Sudan over the last two decades is second to none. I think we all heard the words of Secretary of State Colin Powell, when he referred to it as the greatest tragedy that we have before us on the planet.

This Subcommittee has held several hearings to bring attention to the genocidal war in Sudan, of which the most recent was held in March. In a few weeks we will be hearing from the Administration on the evolution of its Sudan policy review. Many in Congress and millions of Americans have high hopes that the U.S. will become more effective in helping to end the human suffering in Sudan.

It makes sense to move ahead with this legislation. Mr. Tancredo and Mr. Payne deserve credit for the work that they have done. I look forward to continuing our work together as this legislation evolves to see that Congress plays a role in making a difference in this very difficult situation.

At this time I would like to recognize the Ranking Member of the Subcommittee, Mr. Donald Payne of New Jersey, for his statement.

Mr. PAYNE. Thank you very much. Thank you, Mr. Chairman, for calling up this very important legislation to be marked up. Let me indicate that I certainly appreciate the leadership that you have taken during your term as Chairperson of the Africa Subcommittee and the interest and the momentum that you have kept going.

I would also like to thank Mr. Tancredo for the interest that he has taken in Sudan. We had the privilege of traveling together to the south of Sudan, and he certainly has proved to be a great ally in this area.

As we know, there has been 2 million deaths, 4 million people displaced, bombings still continue, slavery still is practiced. A harsh government of the NIF Party, National Islamic Front, continues to preside.

This issue is bigger than simply north and south. There are many good people in the north of Sudan. There are many good people in the south. We just have evil and wicked government, and so I strongly support Mr. Tancredo's legislation, and hopefully this will be one step toward the resolution of that horrific problem in Sudan.

Thank you, Mr. Chairman. I yield back the balance of my time.

Mr. ROYCE. Thank you, Mr. Payne.

I would now like to turn to the author of the Sudan Peace Act, Mr. Tancredo of Colorado, for any opening statement he might like to make.

Mr. TANCREDO. Thank you, Mr. Chairman, and I certainly appreciate and add to those comments my own appreciation for your help in this effort to bring this issue to the attention of the American public, the Congress of the United States.

Oftentimes here we end up giving a title to a piece of legislation that is somewhat illusory, and that is the case even today. We call this the Sudan Peace Act. Of course, I hope and I pray that there will be peace in Sudan soon. Today, tomorrow is not soon enough. But I also know that even the passage of this legislation will not in itself bring peace to that troubled land. I recognize full well that

to a large extent, this is a placeholder, that there are many other steps that need to be taken in order to actually achieve the goal that we all seek.

I am on one hand encouraged by some of the statements that have been made by representatives of the government in Khartoum, their desire apparently to actually enter into some sort of peace negotiation. I am discouraged, on the other hand, with some of the actions taken by that same government, because we still have reports coming in about atrocities being committed.

We need, from both sides in this horrible situation, in this fight, we need a true commitment to peace, and I think most of us and I certainly know that I am tired of the half-hearted attempts and sometimes the ruse that has been put forward as peace initiatives. Sometimes people have sought to bring peace only for a short time in order to gain some sort of tactical or strategic advantage. Well, I will have no part of that. I know that Mr. Royce, we have talked about this issue of late. I know he feels similarly. What we want is a true peace. We want these people to be able to live in peace in their own land, pursue their own religious persuasions, and express themselves politically without fear of reprisal. That is our hope and desire.

This is just one step in that direction, Mr. Chairman, but I do believe it is an important one, and I thank you for bringing it forward.

Mr. ROYCE. Thank you, Mr. Tancredo.

Are there any amendments at this time?

Mr. TANCREDO. Mr. Chairman, I have an amendment. I actually have two amendments.

Mr. ROYCE. I am going to ask the clerk at this time to read the first of those two amendments, if she would.

The CLERK. An amendment to H.R. 931 offered by Mr. Tancredo. Page 4, insert the following.

Mr. ROYCE. Without objection, the amendment will be considered as read.

[The information referred to follows:]

AMENDMENT TO H.R. 931
OFFERED BY MR. TANCREDO

Page 4, insert the following after line 2 and redesignate the succeeding paragraphs accordingly:

1 (10) The acts of the Government of Sudan de-
2 scribed in the preceding provisions of this section
3 fall within the meaning of genocide set forth in sec-
4 tion 1091 of title 18, United States Code.

Page 11, add the following after line 8:

5 **SEC. 10. INVESTIGATION OF WAR CRIMES.**

6 The United States Ambassador-at-Large for War
7 Crimes shall investigate slavery, bombardments of civilian
8 targets, and any other acts in Sudan that would constitute
9 war crimes.

Mr. ROYCE. The gentleman is recognized for 5 minutes.

Mr. TANCREDO. Thank you, Mr. Chairman.

The purpose of the amendment is to declare to the world that the situation in Sudan can truly be called genocide. This is not just a grammatical or syntactical sort of correction we want to make to the bill. The use of the term "genocide" to describe the events in this part of the world in this particular country is important, and being specific about exactly what has happened there is important because of the genocide convention, to which—the treaty to which the United States is a party. The inclusion of the word "genocide" into this particular piece of legislation has significance.

Mr. ROYCE. I think, Mr. Tancredo, the other aspect of the amendment, if I am correct, is that the Ambassador-at-Large for War Crimes shall investigate slavery, bombardments of civilian targets, and other acts in Sudan that would constitute war crimes; am I correct?

Mr. TANCREDO. That is accurate. That is the second part of the amendment, and it goes along with the term "genocide" being used here.

There is, of course, constant controversy over exactly what is happening in Sudan and exactly who is responsible for what is happening in Sudan. This would encourage the creation of this particular post and have someone on the ground to give us some indication of exactly what is happening.

Mr. ROYCE. Thank you, Mr. Tancredo.

The question occurs on the amendment. Mr. Payne wanted to be recognized on the amendment.

Mr. PAYNE. Yes. I would just briefly like to say that I support Mr. Tancredo's amendment. I think that there has been talk about what we have done up to now has not worked. The frustration of making progress, I think, leads us to the point where we need to step up on the way we view this, and I think that to have some strong language, to have some strong accusations, to invoke the word "genocide" will bring attention to those we need to bring attention to. And so I would hope that my colleagues would support Mr. Tancredo's amendment.

Mr. ROYCE. Thank you, Mr. Payne. I am in support as well, and I note the existence of a quorum, and so if I could at this time ask the clerk, the question is going to occur on the amendment.

All in favor, say aye.

Opposed, no.

The ayes have it, and the amendment is agreed to.

Are there any other amendments before—

Mr. TANCREDO. Mr. Chairman, I have one other amendment.

Mr. ROYCE. Mr. Tancredo.

The clerk will report the amendment at this time.

The CLERK. An amendment to H.R. 931 offered by Mr. Tancredo. Insert the following after section 4.

Mr. ROYCE. Without objection, the amendment will be considered read, and I will recognize Mr. Tancredo for 5 minutes.

[The information referred to follows:]

AMENDMENT TO H.R. 931
OFFERED BY MR. TANCREDO

Insert the following after section 4 and redesignate the succeeding sections accordingly:

1 SEC. 5. USE OF APPROPRIATED FUNDS.

2 The President shall use the \$10,000,000 in funds ap-
3 propriated for assistance to the National Democratic Alli-
4 ance under the heading "OTHER BILATERAL ECONOMIC
5 ASSISTANCE, ECONOMIC SUPPORT FUND" in title I of H.R.
6 5526 of the 106th Congress, as enacted into law by section
7 101(a) of Public Law 106-429, for such assistance.

Mr. TANCREDO. Thank you, Mr. Chairman. It certainly will not take that.

This is a relatively noncontroversial amendment. It is to reauthorize the \$10 million appropriated last year for nonlethal, nonfood assistance to southern Sudan. The assistance could include blankets, medicine, fuel, mobile clinics, tents, water drilling equipment or equipment to notify civilians of aerial bombardment. And, again, I do not believe it is a controversial step, and I urge my colleagues to support the amendment.

Mr. ROYCE. Mr. Payne.

Mr. PAYNE. Thank you, Mr. Chairman. I would just like to add my support to the amendment. I think that is the least we could do, and sort of a very moderate move. I will just leave it at that and would urge my colleagues to support the amendment.

Mr. ROYCE. The question occurs on the amendment. All in favor, say aye.

All opposed.

The ayes have it. The amendment is agreed to.

Are there any further amendments?

Mr. PAYNE. I have an amendment at the desk.

Mr. ROYCE. The clerk will report the amendment.

The CLERK. I am sorry, I don't have that amendment.

Mr. ROYCE. If I could ask Mr. Payne to distribute a copy of that amendment to the clerk and to the Members of the Committee.

Mr. PAYNE. I said it was at the desk, but it isn't.

Mr. ROYCE. We will recognize you for 5 minutes Mr. Payne on the amendment, and without objection, the reading is dispensed with.

[The information referred to follows:]

AMENDMENT TO H.R. 931**OFFERED BY MR. PAYNE**

Page 9, insert the following after line 6 and redesignate the succeeding sections accordingly:

1 **SEC. 7. DISCLOSURE OF BUSINESS ACTIVITIES IN SUDAN.**

2 (a) **DISCLOSURE REQUIREMENTS.**—No entity that is
3 engaged in any commercial activity in Sudan may trade
4 any of its securities (or depository receipts with respect
5 to its securities) in any capital market in the United
6 States unless that entity has disclosed, in such form as
7 the President shall prescribe—

8 (1) the nature and extent of that commercial
9 activity in Sudan, including any plans for expansion
10 or diversification;

11 (2) the identity of all agencies of the Sudanese
12 Government with which the entity is doing business;

13 (3) the relationship of the commercial activity
14 to any violations of religious freedom and other
15 human rights in Sudan; and

16 (4) the contribution that the proceeds raised in
17 the capital markets in the United States will make
18 to the entity's commercial activity in Sudan.

19 (b) **DISCLOSURE TO THE PUBLIC.**—The President
20 shall take the necessary steps to ensure that disclosures

1 under subsection (a) are published or otherwise made
2 available to the public.

3 (c) ENFORCEMENT AUTHORITY.—The President may
4 exercise the authorities he has under the International
5 Emergency Economic Powers Act to carry out this section.

Mr. PAYNE. Right. Thank you, Mr. Chairman.

As you know, we are moving toward trying to have people who are really doing business in the Sudan to be—for this information to be made knowledgeable, and so my amendment will hopefully call attention and more attention to the human rights violations which are occurring in Sudan. This amendment would require companies that are doing business in the Sudan to disclose the nature and extent of that business in connection with their access to U.S. Capital markets.

Today foreign companies can hide the nature and the extent of their involvement in the Sudan because we do not have that requirement. Full disclosure would expose how their activities are related to human rights abuses. It would prompt corporate managers to work to prevent their companies from supporting these abuses, and it would discourage investment by these companies by exposing those who are involved.

As a matter of fact, I would like to submit for the record an article from the Financial Times dated May 14th. It reads, and I quote: U.S. Companies are forbidden to do business with a certain group of countries under embargo including Iraq, Iran and Sudan. Now the Securities and Exchange Commission plans to require foreign companies listing in the U.S. To disclose their business interests in these countries. Foreign investment is critical to development of many of Sudan's oil fields, in maintaining oil revenues. Many experts have concluded that the development and new exploration of the NIF's oil wells will significantly tip the balance in the battlefield in favor of the NIF government. Increases in the oil wealth will allow the Khartoum government to annihilate and actually continue to reign terror on people of the south.

So we are simply asking that companies doing business would be required to make that information available.

With that, I yield back the balance of my time.

Mr. ROYCE. Any further discussion on the amendment?

Mr. FLAKE. I have a question.

Mr. ROYCE. Mr. Flake.

Mr. FLAKE. This reporting requirement, is this a proactive requirement that—I haven't had time to read the bill—that they just when asked, or upon inquiry from the SEC or what? What are they required to do?

Mr. PAYNE. They would be required if doing business to make this information available. It wouldn't be being asked; it would be a part of the law. In other words, if you are doing business, and the SEC's—this would be a form, sort of like an income tax form, or any other information that currently is available, this would be a requirement, and the companies would be aware of that, and they would be required to make that information available. It is not in other areas.

Mr. HOUGHTON. Would the gentleman yield?

Mr. ROYCE. Mr. Houghton.

Mr. HOUGHTON. Is this a requirement with other countries?

Mr. PAYNE. Not with countries—not with countries that are not on the list like Iran and Iraq and now Sudan. It is not a typical requirement.

Mr. HOUGHTON. But would it be for Iran and Iraq?

Mr. PAYNE. Yes, they would fall under the same category.

Mr. ROYCE. No. Let me clarify, if I could, for a moment, Mr. Payne. The disclosure requirement reads as follows in the amendment: No entity that is engaged in any commercial activity in Sudan may trade in any of its securities in any capital market in the United States unless that entity has disclosed in such form as the President shall prescribe:

The nature and extent of that commercial activity in Sudan, including any plans for expansion or diversification;

The identity of all agencies of the Sudanese Government with which the entity is doing business;

The relationship of the commercial activity to any violations of religious freedom and other human rights in Sudan; and

The contribution that the proceeds raised in the capital markets in the United States will make to the entity's commercial activity in Sudan.

And in terms of the disclosure to the public, the amendment instructs that the President shall take the necessary steps to ensure that disclosures under this section are published or otherwise made available to the public.

And the enforcement authority indicates that the President may exercise the authorities he has under the International Emergency Economic Powers Act to carry out this section.

I would just make the observation, I support the gentleman's amendment. I believe it gives this legislation real bite, but that is the directive in the amendment.

Mr. HOUGHTON. No, I didn't—I don't disagree with the amendment at all. I just didn't know if we were plowing new ground here.

Mr. TANCREDO. Mr. Chairman.

Mr. ROYCE. Mr. Tancredo.

Mr. TANCREDO. I think it is also important to enter into the discussion here the fact that this, the activity that we are codifying here, is actually, I think, part of the present SEC regulations. I have a copy of an article that was, let's see, May the 11th appeared in the USA Today section talking about the fact that the SEC, under its existing authority to require full disclosure, has declared that investments in countries where U.S. Sanctions are a significant material threat to investors, they have to right now actually disclose that, and it would be more than just Sudan.

This particular piece of legislation, of course, only affects Sudan, but right now the SEC is going after, I think, several companies because they had not fully disclosed the amount of activity they were involved with in countries against which we have sanctions. So just for clarification purposes.

Mr. PAYNE. Once again, I thank both gentlemen for your interest. We just think that the more disclosure, the more attention drawn will really bring this under focus, and would urge the adoption of the amendment.

Mr. ROYCE. Mr. Flake.

Mr. FLAKE. I just had a comment. I had some dealings with the country of Namibia after the sanctions were lifted. The Comprehensive Anti-Apartheid Act no longer applied to South Africa, yet a lot of cities and localities around the country had their own language mentioning Namibia specifically, and companies in the

U.S. That wanted to do business with Namibia, or Namibian companies that wanted to do business in the U.S. Were hindered after the fact by low-level bureaucrats in city governments or State governments or county governments not realizing that Namibia was independent or the situation had changed, and proposals, applications were thrown out because of that. And so there is sometimes unintended consequences after the fact, and I would have some of those same concerns here. So I—

Mr. PAYNE. Will the gentleman yield?

Mr. FLAKE. You bet.

Mr. PAYNE. That is actually true. In addition to Namibia, it was even a much larger problem when it came to South Africa. Many municipalities and county, State governments started the sanctions, and South Africa finally—it was not until 1986 that the CAAA legislation was passed in the Congress, and when South Africa became democratic and a democracy, there was a request that the U.S. Pass legislation that would change the local government and State government laws, which we did reject, because it was those local governments that really—sort of the tail wagged the dog—that pushed it up to the national level, where we were very late in putting sanctions on an international level. And so they did untie all of those sanctions that were done in municipalities and State governments.

I assume you were in one of those entities, too, and had to undo those, but I think that is just a part of the pain that we need to go through and the deliberation that it may take once the government changed. But I certainly remember and can appreciate the situation with Namibia as it was with South Africa. Thank you.

Mr. ROYCE. Any other questions on the amendment? If not, the question occurs on the amendment. All in favor, say aye?

All opposed, say nay. The ayes have it, and the amendment is agreed to.

Are there any further amendments?

The Chair will now entertain a motion that the bill be reported favorably to the Full Committee as amended.

Mr. TANCREDO. So moved.

Mr. PAYNE. Seconded.

Mr. ROYCE. The question occurs on the motion to report the bill favorably as amended. All in favor, say aye.

All opposed, no.

The motion is approved, and the bill is reported favorably.

The staff is directed to make any technical and conforming amendments, and without objection, this bill will be reported favorably to the Full Committee in the form of a single amendment in the nature of a substitute incorporating the amendments adopted here today.

We will stand in recess as we prepare for the upcoming hearing, and I thank the Members.

[Whereupon, at 2:30 p.m., the Subcommittee was adjourned.]